

HOWARD DOWNING
ATTORNEY AT LAW
109 South First Street
Nicholasville, Kentucky 40356
(859)885-4619 fax (859)885-1127

March 24, 2009

Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

RECEIVED

MAR 24 2009

PUBLIC SERVICE
COMMISSION

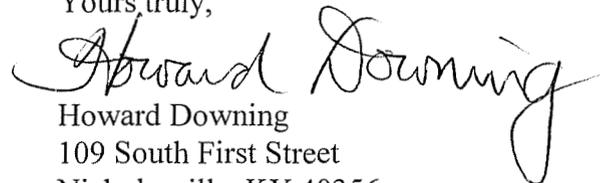
HAND DELIVERED

Re: PSC Case No. 2008-00411

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case an original and five copies of the responses of Blue Grass Energy Cooperative Corporation to the Second Data Request of Commission Staff, dated March 18, 2009.

Yours truly,



Howard Downing
109 South First Street
Nicholasville, KY 40356
Phone: 859-885-4619
Attorney for Blue Grass Energy
Cooperative Corporation

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF BLUE GRASS ENERGY)	
COOPERATIVE CORPORATION TO)	CASE NO.
PASS-THROUGH AN INCREASE OF ITS)	2008-00411
WHOLESALE POWER SUPPLIER PURSUANT)	
TO KRS 278.455(2))	

CERTIFICATE

STATE OF KENTUCKY)
)
 COUNTY OF CLARK)

Ann F. Wood, being duly sworn, states that she has supervised the preparation of the responses of Blue Grass Energy Cooperative Corporation to the Public Service Commission Staff Second Data Request in the above-referenced case dated March 18, 2009, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Ann F. Wood

Subscribed and sworn before me on this 23rd day of March, 2009.

Peggy S. Griffin
 Notary Public

My Commission expires:

December 8, 2009

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BLUE GRASS ENERGY)	
COOPERATIVE CORPORATION TO)	CASE NO.
PASS-THROUGH AN INCREASE OF ITS)	2008-00411
WHOLESALE POWER SUPPLIER PURSUANT)	
TO KRS 278.455(2))	

**RESPONSES TO COMMISSION STAFF'S SECOND DATA REQUEST
TO BLUE GRASS ENERGY COOPERATIVE CORPORATION
DATED MARCH 18, 2009**

**BLUE GRASS ENERGY COOPERATIVE CORPORATION
PSC CASE NO. 2008-00411
SECOND DATA REQUEST RESPONSE**

**COMMISSION STAFF'S SECOND DATA REQUEST DATED 03/18/09
REQUEST 1**

RESPONSIBLE PERSON: Ann F. Wood
COMPANY: Blue Grass Energy Cooperative Corporation

Request 1. Provide the workpapers, spreadsheets, etc. that show the calculation of the increase, by individual wholesale rate schedule, in Blue Grass's cost of power from East Kentucky Power Electric, Inc. ("EKPC") that Blue Grass proposes to flow through to its customers based on the rates contained in the March 13, 2009 Settlement Agreement filed by EKPC in Case No. 2008-00409 ("Settlement Agreement").

Response 1. Please see pages 2 through 4 for the calculation of the increase by individual wholesale rate schedule.

EKPC Revenue Increase by Member System - Based on Settlement

	A			D			E		B		C	
	Base Revenue	FAC, ES	Total - Existing Rates	Base Revenue per Settlement	Calculated Increase	FAC, ES	Total before Rounding	Round to \$59.5 M	Total Per Settlement	B-A or D+E	C / A	
Big Sandy E	15,479,475	4,632,597	20,112,072	16,942,004	1,462,529	4,632,597	21,574,601	(890)	21,573,711	1,461,639	7.27%	
Blue Grass E	61,130,076	18,234,897	79,364,973	66,905,788	5,775,712	18,234,897	85,140,685	(3,512)	85,137,172	5,772,200	7.27%	
Blue Grass B	11,112,841	3,687,220	14,800,061	12,165,315	1,052,474	3,687,220	15,852,535	(654)	15,851,881	1,051,820	7.11%	
Blue Grass Total	72,242,917	21,922,117	94,165,033	79,071,103	6,828,186	21,922,117	100,993,219	(4,166)	100,989,053	6,824,020		
Clark E	25,994,706	7,821,067	33,815,773	28,451,167	2,456,460	7,821,067	36,272,233	(1,496)	36,270,737	2,454,964	7.26%	
Cumberland Valley E	29,286,707	8,876,911	38,163,618	32,054,278	2,767,571	8,876,911	40,931,189	(1,689)	40,929,501	2,765,883	7.25%	
Farmers E	25,765,586	7,891,794	33,657,381	28,200,647	2,435,061	7,891,794	36,092,441	(1,489)	36,090,953	2,433,572	7.23%	
Farmers C	2,902,631	956,091	3,858,722	3,177,544	274,913	956,091	4,133,635	(171)	4,133,464	274,742	7.12%	
Farmers Total	28,668,217	8,847,885	37,516,103	31,378,191	2,709,974	8,847,885	40,226,076	(1,659)	40,224,417	2,708,314		
Fleming-Mason E	25,341,624	7,668,304	33,009,928	27,736,377	2,394,753	7,668,304	35,404,682	(1,461)	35,403,221	2,393,293	7.25%	
Fleming-Mason C	7,679,330	2,543,180	10,222,510	8,406,642	727,312	2,543,180	10,949,822	(452)	10,949,370	726,860	7.11%	
Fleming-Mason G	9,233,903	3,186,976	12,420,880	10,106,772	872,868	3,186,976	13,293,748	(548)	13,293,200	872,320	7.02%	
Fleming-Mason Steam	9,867,458	3,593,578	13,461,036	10,802,419	934,961	3,593,578	14,395,997	(594)	14,395,403	934,367	6.94%	
FM Pumping Station	2,843,748	387,318	3,231,066	2,843,748	-	387,318	3,231,066	-	3,231,066	-	0.00%	
FM Total	54,966,063	17,379,357	72,345,420	59,895,958	4,929,895	17,379,357	77,275,315	(3,055)	77,272,260	4,926,840		
Grayson E	14,788,949	4,439,166	19,228,115	16,186,450	1,397,501	4,439,166	20,625,617	(851)	20,624,766	1,396,650	7.26%	
Grayson C	720,982	231,828	952,810	789,271	68,290	231,828	1,021,100	(42)	1,021,058	68,247	7.16%	
Grayson Total	15,509,931	4,670,994	20,180,925	16,975,722	1,465,791	4,670,994	21,646,716	(893)	21,645,823	1,464,898		
Inter-County E	24,229,314	7,243,050	31,472,364	26,518,634	2,289,320	7,243,050	33,761,684	(1,393)	33,760,291	2,287,927	7.27%	
Inter-County B	2,444,633	800,470	3,245,103	2,676,167	231,534	800,470	3,476,636	(143)	3,476,493	231,390	7.13%	
Inter-County Total	26,673,947	8,043,520	34,717,467	29,194,801	2,520,853	8,043,520	37,238,321	(1,536)	37,236,784	2,519,317		
Jackson E	51,640,808	15,533,305	67,174,113	56,520,418	4,879,610	15,533,305	72,053,723	(2,972)	72,050,751	4,876,638	7.26%	
Jackson B	1,631,878	537,507	2,169,385	1,786,432	154,554	537,507	2,323,940	(96)	2,323,844	154,459	7.12%	
Jackson C	1,625,925	515,935	2,141,860	1,779,934	154,009	515,935	2,295,868	(95)	2,295,774	153,914	7.19%	
Jackson Total	54,898,611	16,586,748	71,485,358	60,086,784	5,188,173	16,586,748	76,673,531	(3,163)	76,670,368	5,185,010		
Licking Valley E	15,691,068	4,733,378	20,424,446	17,173,787	1,482,719	4,733,378	21,907,164	(904)	21,906,261	1,481,815	7.26%	
Nolin E	34,599,310	10,441,601	45,040,912	37,868,776	3,269,466	10,441,601	48,310,377	(1,993)	48,308,384	3,267,473	7.25%	
Nolin B	2,411,185	792,757	3,203,942	2,639,549	228,364	792,757	3,432,306	(142)	3,432,164	228,223	7.12%	
Nolin G	5,418,903	1,894,383	7,313,286	5,931,177	512,273	1,894,383	7,825,559	(323)	7,825,236	511,951	7.00%	
Nolin Total	42,429,398	13,128,741	55,558,139	46,439,502	4,010,103	13,128,741	59,568,242	(2,457)	59,565,785	4,007,646	7.21%	
Owen E	55,769,700	16,991,184	72,760,884	61,061,271	5,291,571	16,991,184	78,052,455	(3,220)	78,049,235	5,288,351	7.27%	
Owen B	9,230,752	3,100,872	12,331,625	10,104,948	874,196	3,100,872	13,205,821	(545)	13,205,276	873,651	7.08%	
Owen Lg Special Contr	36,324,802	13,238,369	49,563,171	36,994,071	669,269	13,238,369	50,232,440	(2,072)	50,230,368	667,197	1.35%*	
Owen Total	101,325,254	33,330,425	134,655,680	108,160,290	6,835,036	33,330,425	141,490,716	(5,837)	141,484,879	6,829,199	5.07%	
Salt River E	54,109,148	16,414,505	70,523,653	59,222,470	5,113,322	16,414,505	75,636,975	(3,120)	75,633,855	5,110,202	7.25%	
Salt River B	4,804,674	1,571,700	6,376,374	5,259,733	455,058	1,571,700	6,831,432	(282)	6,831,150	454,776	7.13%	
Salt River Total	58,913,822	17,986,205	76,900,027	64,482,203	5,568,380	17,986,205	82,468,407	(3,402)	82,465,005	5,564,978		
Shelby E	17,273,731	5,199,157	22,472,888	18,906,054	1,632,323	5,199,157	24,105,211	(994)	24,104,216	1,631,329	7.26%	
Shelby B	8,271,289	2,747,767	11,019,056	9,054,642	783,353	2,747,767	11,802,409	(487)	11,801,922	782,866	7.10%	
Shelby Total	25,545,020	7,946,924	33,491,944	27,960,696	2,415,676	7,946,924	35,907,620	(1,481)	35,906,138	2,414,195		
So Ky E	60,726,833	18,217,505	78,944,337	66,464,823	5,737,991	18,217,505	84,682,328	(3,493)	84,678,835	5,734,497	7.26%	
So Ky B	2,991,172	964,910	3,956,081	3,274,480	283,309	964,910	4,239,390	(175)	4,239,215	283,134	7.16%	
So Ky C	3,781,377	1,211,664	4,993,041	4,139,542	358,166	1,211,664	5,351,206	(221)	5,350,986	357,945	7.17%	
South Kentucky Total	67,499,381	20,394,078	87,893,459	73,878,846	6,379,465	20,394,078	94,272,924	(3,889)	94,269,035	6,375,576		
Taylor E	25,365,883	7,654,596	33,020,479	27,762,800	2,396,917	7,654,596	35,417,397	(1,461)	35,415,936	2,395,456	7.25%	
Taylor B	391,703	125,608	517,311	428,804	37,101	125,608	554,411	(23)	554,388	37,078	7.17%	
Taylor C	878,739	293,616	1,172,355	961,962	83,224	293,616	1,255,579	(52)	1,255,527	83,172	7.09%	
Taylor Pumping Station	1,689,753	230,144	1,919,897	1,689,753	-	230,144	1,919,897	-	1,919,897	-	0.00%	
Taylor Total	28,326,078	8,303,964	36,630,042	30,843,319	2,517,242	8,303,964	39,147,284	(1,536)	39,145,748	2,515,706		
Total All Classes	663,450,596	204,604,910	868,055,506	722,988,649	59,538,053	204,604,910	927,593,559	(38,053)	927,555,506	59,500,000	6.85%	

* Owen's large special contract has a large interruptible load - the interruptible Credit increased significantly.

EKPC Annual Billing Based on Settlement
Blue Grass
Rate E
Option 2

Description	Billing Units	Current Rate	
		Rate	Calculated Billings
Metering Point Charge			
All Customers	396	\$ 125 00	\$ 49,500 00
Substation charges			
Substation 1,000 - 2,999 kVa		\$ 944 00	\$ -
Substation 3,000 - 7,499 kVa	24	\$ 2,373 00	\$ 56,952 00
Substation 7,500 - 14,999 kVa	276	\$ 2,855 00	\$ 787,980 00
Substation > 15,000 kVa	96	\$ 4,605 00	\$ 442,080 00
	396		\$ 1,287,012 00
Demand Charge			
All Kw	2,883,152	\$ 5 22	\$ 15,050,053 44
Energy Charge			
On-Peak kWh	600,169,310	\$ 0 042470	\$ 25,489,190 60
Off-Peak kWh	551,636,484	\$ 0 034904	\$ 19,254,319 84
	1,151,805,794		\$ 44,743,510 43
Total Base Rates			\$ 61,130,075 87
FAC		\$ 0 007604	\$ 8,736,779 77
ES		13 62%	\$ 9,498,117 01
			\$ 79,364,972 65

Description	Billing Units	Proposed Rate		Calculated Billings	
		Rate			
Metering Point Charge					
All Customers	396	\$ 137 00	\$	54,252 00	9 60%
Substation charges					
Substation 1,000 - 2,999 kVa		\$ 1,033 00	\$	-	
Substation 3,000 - 7,499 kVa	24	\$ 2,598 00	\$	62,352 00	
Substation 7,500 - 14,999 kVa	276	\$ 3,125 00	\$	862,500 00	
Substation > 15,000 kVa	96	\$ 5,041 00	\$	483,936 00	
				\$ 1,408,788 00	9 46%
Demand Charge					
All Kw	2,883,152	\$ 5 71	\$	16,462,797 92	9 39%
Energy Charge					
On-Peak kWh	600,169,310	\$ 0 046491	\$	27,902,471 39	
Off-Peak kWh	551,636,484	\$ 0 038209	\$	21,077,478 42	
				\$ 48,979,949 81	9 47%
Total Base Rates				\$ 66,905,787 73	9 45%
FAC				\$ 8,736,779 77	
ES				\$ 9,498,117 01	
Total Billings				<u>\$ 85,140,684 51</u>	
Increase/(Decrease)				\$ 5,775,711 86	
Percent Change					7 28%

**EKPC Annual Billing Based on Settlement
Blue Grass
Rate B**

Current Rate				Proposed Rate					
Description	Billing Units	Rate	Calculated Billings	Description	Billing Units	Rate	Calculated Billings		
Demand Charge				Demand Charge					
Base kW	401,465	\$ 6.22	\$ 2,497,112.30	Base kW	401,465	\$ 6.81	\$ 2,733,976.65	9.49%	
Excess kW	5,324	8.65	\$ 46,052.60	Excess kW	5,324	\$ 9.47	\$ 50,418.28	9.48%	
Energy Charge				Energy Charge					
All kWh	256,155,313	\$ 0.033455	\$ 8,569,676.00	All kWh	256,155,313	\$ 0.036622	\$ 9,380,919.87	9.47%	
			\$ 11,112,840.90				\$ 12,165,314.80	9.47%	
FAC		\$ 0.007604	\$ 1,925,160.67	FAC			\$ 1,925,160.67		
ES		13.62%	\$ 1,762,059.10	ES			\$ 1,762,059.10		
Total Billings			\$ 14,800,060.67	Total Billings			\$ 15,852,534.57		
Increase/(Decrease)							\$ 1,052,473.91		
Percent Change								7.11%	

**BLUE GRASS ENERGY COOPERATIVE CORPORATION
PSC CASE NO. 2008-00411
SECOND DATA REQUEST RESPONSE**

**COMMISSION STAFF'S SECOND DATA REQUEST DATED 03/18/09
REQUEST 2**

RESPONSIBLE PERSON: Ann F. Wood
**COMPANY: Blue Grass Energy Cooperative
 Corporation**

Request 2. Provide the proof of revenues for the increase in rates that Blue Grass proposes to implement to recover the increased wholesale power costs it will incur as a result of the Settlement Agreement.

Response 2. Please see response 3 for the increase in rates allocated on a proportional basis.

BLUE GRASS ENERGY COOPERATIVE CORPORATION

PSC CASE NO. 2008-00411

SECOND DATA REQUEST RESPONSE

**COMMISSION STAFF'S SECOND DATA REQUEST DATED 03/18/09
REQUEST 3**

RESPONSIBLE PERSON: Ann F. Wood

**COMPANY: Blue Grass Energy Cooperative
Corporation**

Request 3. Provide analyses which demonstrate the increase has been allocated on a proportional basis to each class and within each tariff, in a manner that does not change Blue Grass's rate design. The analyses are to be provided in both paper copy and electronic Excel format with all formulas intact.

Response 3. Please see the proportional analysis on pages 2 through 5 of this response and also provided in electronic format on the attached CD.

Blue Grass Energy

Billing Analysis

for the 12 months ending June 30, 2008

Rate & Schedule	Present Base Revenues	% of Total	Total Proposed Revenues	% of Total	\$ Increase	% Increase
Schedule GS-1: Residential , Farm & Non-Farm	\$69,735,111	70.94%	\$74,572,572	70.94%	\$4,837,460	6.94%
Schedule GS-2: Off-Peak Marketing ETS	\$139,049	0.14%	\$148,702	0.14%	\$9,653	6.94%
Schedule GS-3: Residential Time of Day	\$0	0.00%	\$0	0.00%	\$0	
Schedule SC-1: Small Commercial	\$6,420,969	6.53%	\$6,867,232	6.53%	\$446,263	6.95%
Schedule LP-1 - Large Power	\$3,036,458	3.09%	\$3,247,252	3.09%	\$210,795	6.94%
Schedule LP2: Large Power	\$4,978,649	5.06%	\$5,323,729	5.06%	\$345,080	6.93%
Schedule B-1: Large Industrial	\$1,289,868	1.31%	\$1,379,356	1.31%	\$89,488	6.94%
Schedule B-2: Large Industrial	\$10,822,965	11.01%	\$11,573,425	11.01%	\$750,460	6.93%
Total - Excluding Lights	\$96,423,069		\$103,112,268		\$6,689,199	6.94%
Lights:						
175 WATT MERCURY VAPOR	\$549,488		\$587,623		\$38,135	6.94%
400 WATT MERCURY VAPOR	\$22,639		\$24,213		\$1,574	6.95%
400 WATT METAL HALIDE DIRECTIONAL FLOOD	\$64,177		\$68,647		\$4,470	6.97%
400 WATT HIGH PRESSURE SODIUM DIRECTIONAL FLOOD	\$8,586		\$9,183		\$597	6.95%
100 WATT HIGH PRESSURE SODIUM - SHOEBOX FIXTURE	\$2,219		\$2,373		\$154	6.96%
100 WATT HIGH PRESSURE SODIUM - ACORN FIXTURE	\$2,100		\$2,246		\$146	6.94%
100 WATT HIGH PRESSURE SODIUM - COLONIAL FIXTURE	\$23,513		\$25,137		\$1,625	6.91%
400 WATT HIGH PRESSURE SODIUM - COBRA HEAD	\$1,204		\$1,287		\$84	6.96%
70 WATT HIGH PRESSURE SODIUM - ORNAMENTAL	\$75,384		\$80,577		\$5,193	6.89%
100 WATT HIGH PRESSURE SODIUM	\$68,500		\$73,227		\$4,727	6.90%
250 WATT HIGH PRESSURE SODIUM - ORNAMENTAL	\$32,396		\$34,646		\$2,249	6.94%
70 WATT HIGH PRESSURE SODIUM - COLONIAL	\$47,887		\$51,214		\$3,326	6.95%
200 WATT HIGH PRESSURE SODIUM - COBRA HEAD	\$20,831		\$22,281		\$1,450	6.96%
100 WATT HIGH PRESSURE SODIUM - COBRA HEAD	\$29,060		\$31,065		\$2,005	6.90%
100 WATT HIGH PRESSURE SODIUM - OPEN BOTTOM	\$897,716		\$959,888		\$62,171	6.93%
250 WATT HIGH PRESSURE SODIUM - OPEN BOTTOM	\$28,389		\$30,357		\$1,968	6.93%
Total - Lights	\$1,874,087	1.91%	\$2,003,962	1.91%	\$129,875	6.93%
Grand Total	\$98,297,157	100.00%	\$105,116,230	100.00%	\$6,819,073	6.94%
Total FAC Component	\$6,589,438		\$6,589,438			
Total Environmental Surcharge Component	\$5,655,268		\$5,655,268			
Total including FAC and Environmental Surcharge	\$110,541,863		\$117,360,936		\$6,819,073	6.17%

Blue Grass Energy
Billing Analysis - Test Year Ending June 30, 2008

Blue Grass Energy Schedule GS-1: Residential, Farm & Non-Farm										
Billing Determinants (1)	Escalation % (2)	Billing Units Escalated (3)=(1)*(1+(2))	Actual		Actual Component % of Base Rates	Proposed		Dollar Increase (8)	Percent Increase (9)	Proposed Component % of Base Rates
			Rate (4)	Revenues (5)=(4)*(3)		Rate (6)	Revenues (7)=(3)*(6)			
Customer Charge	623,227	1.70%	633,822	\$8.75	\$ 5,545,941	7.95%	\$9.36	\$5,932,573	\$386,631	7.96%
Energy Charge per kWl	818,552,314	2.40%	838,197,570	\$ 0.07658	\$ 64,189,170	92.05%	\$0.08189	\$68,639,999	\$4,450,829	92.04%
Billing Adjustments							\$ -	\$0		
Total from Base Rates					\$ 69,735,111	100.00%	\$ 74,572,572	\$ 4,837,460	6.94%	100.00%
Plus Fuel Adjustment					\$ 4,323,147		\$ 4,323,147	\$ -		
Plus Environmental Surcharge					\$ 4,065,713		\$ 4,065,713	\$ -		
Green Power					\$ -		\$ -	\$ -		
Total Revenues					\$ 78,123,972		\$ 82,961,432	\$ 4,837,460		
Average Customer		1,322			\$ 123.26		130.89	\$ 7.63		
Percent									6.19%	

Blue Grass Energy Schedule GS-2: Off-Peak Marketing ETS										
Billing Determinants (1)	Escalation % (2)	Billing Units Escalated (3)=(1)*(1+(2))	Actual		Actual Component % of Base Rates	Proposed		Dollar Increase (8)	Percent Increase (9)	Proposed Component % of Base Rates
			Rate (4)	Revenues (5)=(4)*(3)		Rate (6)	Revenues (7)=(3)*(6)			
Customer Charge	4,300	1.70%	4,373	\$0.00	\$ -	10.34%	\$0.00	\$0	\$0	10.34%
Energy Charge per kWl	2,955,166	2.40%	3,026,090	\$ 0.04595	\$ 139,049	100.00%	\$0.04914	\$148,702	\$9,653	100.00%
Billing Adjustments							\$ -	\$0		
Total from Base Rates					\$ 139,049	100.00%	\$ 148,702	\$ 9,653	6.94%	100.00%
Plus Fuel Adjustment					\$ 15,608		\$ 15,608	\$ -		
Plus Environmental Surcharge					\$ 8,490		\$ 8,490	\$ -		
Green Power					\$ -		\$ -	\$ -		
Total Revenues					\$ 163,147		\$ 172,800	\$ 9,653		
Average Customer					\$ 37.31		39.51	\$ 2.21		
Percent									5.92%	

Blue Grass Energy Schedule SC-1: Small Commercial										
Billing Determinants (1)	Escalation % (2)	Billing Units Escalated (3)=(1)*(1+(2))	Actual		Actual Component % of Base Rates	Proposed		Dollar Increase (8)	Percent Increase (9)	Proposed Component % of Base Rates
			Rate (4)	Revenues (5)=(4)*(3)		Rate (6)	Revenues (7)=(3)*(6)			
Customer Charge	25,946	2.37%	26,561	\$25.00	\$ 664,023	10.34%	\$26.74	\$710,239	\$46,216	10.34%
Energy Charge per kWl	65,844,398	2.40%	67,424,664	\$0.07148	\$ 4,819,515	75.06%	\$0.07644	\$5,153,941	\$334,426	75.05%
Demand Charge	130,398	2.70%	133,919	\$7.00	\$ 937,431	14.60%	\$7.49	\$1,003,051	\$65,620	14.61%
Billing Adjustments							\$ -	\$0		0.00%
Total from Base Rates					\$ 6,420,969	100.00%	\$ 6,867,232	\$ 446,263	6.95%	100.00%
Plus Fuel Adjustment					\$ 347,754		\$ 347,754	\$ -		
Plus Environmental Surcharge					\$ 371,595		\$ 371,595	\$ -		
Total Revenues					\$ 7,140,319		\$ 7,586,581	\$ 446,263		
Average					\$ 268.83		\$ 285.63	\$ 16.80		
Percent									6.25%	

Blue Grass Energy Schedule LP-1 - Large Power										
Billing Determinants (1)	Escalation % (2)	Billing Units Escalated (3)=(1)*(1+(2))	Actual		Actual Component % of Base Rates	Proposed		Dollar Increase (8)	Percent Increase (9)	Proposed Component % of Base Rates
			Rate (4)	Revenues (5)=(4)*(3)		Rate (6)	Revenues (7)=(3)*(6)			
Customer Charge	649	0.00%	649	\$50.00	\$ 32,450	1.07%	\$53.47	\$34,702	\$2,252	1.07%
Energy Charge per kWl	43,092,853	2.40%	44,127,081	\$0.04650	\$ 2,051,909	67.58%	\$0.04973	\$2,194,440	\$142,530	67.58%
Demand Charge	123,609	2.70%	126,946	\$7.50	\$ 952,098	31.36%	\$8.02	\$1,018,110	\$66,012	31.35%
Billing Adjustments							\$ -	\$0		
Total from Base Rates					\$ 3,036,458	100.00%	\$ 3,247,252	\$ 210,795	6.94%	100.00%
Plus Fuel Adjustment					\$ 227,593		\$ 227,593	\$ -		
Plus Environmental Surcharge					\$ 179,193		\$ 179,193	\$ -		
Total Revenues					\$ 3,443,243		\$ 3,654,038	\$ 210,795		
Average					\$ 5,305		\$ 5,630	\$ 325		
Percent									6.12%	

Blue Grass Energy: Test Year Ending June 30, 2008

	Annual Billing Units	Rate per Lamp	Normalized Annual Revenue	Percent of Actual Base Revenues	kWh per Light	Total kWh assigned to Lights	Proposed Rate per Light	Proposed Light Revenues	Dollar Change	% Change	Percent of Proposed Base Revenues
175 WATT MERCURY VAPOR	57,780	\$9.51	\$549,488	29.32%	73	4,217,940	\$10.17	\$587,623	\$38,135	6.94%	29.32%
400 WATT MERCURY VAPOR	1,471	\$15.39	\$22,639	1.21%	159	233,889	\$16.46	\$24,213	\$1,574	6.95%	1.21%
400 WATT METAL HALIDE DIRECTIONAL FLOOD	4,426	\$14.50	\$64,177	3.42%	159	703,734	\$15.51	\$68,647	\$4,470	6.97%	3.43%
400 WATT HIGH PRESSURE SODIUM DIRECTIONAL FLOOD	563	\$15.25	\$8,586	0.46%	159	89,517	\$16.31	\$9,183	\$597	6.95%	0.46%
100 WATT HIGH PRESSURE SODIUM - SHOEBOX FIXTURE	132	\$16.81	\$2,219	0.12%	37	4,884	\$17.98	\$2,373	\$154	6.96%	0.12%
100 WATT HIGH PRESSURE SODIUM - ACORN FIXTURE	129	\$16.28	\$2,100	0.11%	37	4,773	\$17.41	\$2,246	\$146	6.94%	0.11%
100 WATT HIGH PRESSURE SODIUM - COLONIAL FIXTURE	1,710	\$13.75	\$23,513	1.25%	37	63,270	\$14.70	\$25,137	\$1,625	6.91%	1.25%
400 WATT HIGH PRESSURE SODIUM - COBRA HEAD	59	\$20.40	\$1,204	0.06%	159	9,381	\$21.82	\$1,287	\$84	6.96%	0.06%
70 WATT HIGH PRESSURE SODIUM - ORNAMENTAL	8,376	\$9.00	\$75,384	4.02%	23	192,648	\$9.62	\$80,577	\$5,193	6.89%	4.02%
100 WATT HIGH PRESSURE SODIUM	6,850	\$10.00	\$68,500	3.66%	37	253,450	\$10.69	\$73,227	\$4,727	6.90%	3.65%
250 WATT HIGH PRESSURE SODIUM - ORNAMENTAL	2,445	\$13.25	\$32,396	1.73%	102	249,390	\$14.17	\$34,646	\$2,249	6.94%	1.73%
70 WATT HIGH PRESSURE SODIUM - COLONIAL	5,735	\$8.35	\$47,887	2.56%	23	131,905	\$8.93	\$51,214	\$3,326	6.95%	2.56%
200 WATT HIGH PRESSURE SODIUM - COBRA HEAD	1,543	\$13.50	\$20,831	1.11%	84	129,612	\$14.44	\$22,281	\$1,450	6.96%	1.11%
100 WATT HIGH PRESSURE SODIUM - COBRA HEAD	2,906	\$10.00	\$29,060	1.55%	37	107,522	\$10.69	\$31,065	\$2,005	6.90%	1.55%
100 WATT HIGH PRESSURE SODIUM - OPEN BOTTOM	94,199	\$9.53	\$897,716	47.90%	37	3,485,363	\$10.19	\$959,888	\$62,171	6.93%	47.90%
250 WATT HIGH PRESSURE SODIUM - OPEN BOTTOM	1,988	\$14.28	\$28,389	1.51%	102	202,776	\$15.27	\$30,357	\$1,968	6.93%	1.51%
Totals	190,312		\$1,874,087	100.00%		10,080,054		\$2,003,962	\$129,875		100.00%
Average			\$9.85					\$10.53	\$0.68	6.93%	

BLUE GRASS ENERGY COOPERATIVE CORPORATION

PSC CASE NO. 2008-00411

SECOND DATA REQUEST RESPONSE

**COMMISSION STAFF'S SECOND DATA REQUEST DATED 03/18/09
REQUEST 4**

RESPONSIBLE PERSON: Ann F. Wood

**COMPANY: Blue Grass Energy Cooperative
Corporation**

Request 4. Provide a statement showing, by cross-outs and italicized inserts, all proposed changes in rates. A copy of the current tariff may be used.

Response 4. Please see pages 2 through 11 for revised tariff sheets indicating the proposed change in rates.

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 5
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO, 5, 39, & 53

CLASSIFICATION OF SERVICE

GS-2 Off-Peak Retail Marketing Rate (ETS)

AVAILABILITY

Available to consumers eligible for Tariff GS-1, Residential and Farm Schedule. The electric power and energy furnished under Tariff GS-2, Off Peak Retail Marketing Rate shall be separately metered for each point of delivery. Other power and energy furnished will be billed under GS-1, Residential and Farm Schedule.

RATES

All kWh/Month: ~~\$0.04595~~ \$0.04914 kWh

SCHEDULE OF HOURS

This rate is only applicable for the below listed off-peak hours:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October through April	12:00 noon to 5:00 p.m. 10:00 p.m. to 7:00 a.m.
May through September	10:00 p.m. to 10:00 a.m.

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by and amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for line loss will not exceed 10% and is based on twelve-month moving average of such losses. This Fuel Clause is subject to all applicable provisions as set out in 807 KAR 5.056.

DELAYED PAYMENT CHARGE

The above rates are net, the gross rates being 7.5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

TERMS AND CONDITIONS

This Tariff is subject to the same terms and conditions as described in Tariff GS-1, Residential and Farm. This rate applies to only programs which are expressly approved by the Public Service Commission to be offered under the Marketing Rate of East Kentucky Power Cooperative's wholesale power rate. Effective January 1, 2009 all consumers under this rate will be switched to the GS-3 Residential and Farm Time-of Day Rate or the GS-1 Residential and Farm Rate. This tariff is no longer available for new installations.

DATE OF ISSUE: March 24, 2009

DATE EFFECTIVE: April 1, 2009

ISSUED BY: _____
(Name of Officer)

TITLE: Vice President & CFO

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 6
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 6, 35, & 52

CLASSIFICATION OF SERVICE

GS-1 (Residential and Farm)

APPLICABLE

Entire Territory Served

AVAILABILITY

Available to all residential and farm consumers. The capacity on individual motors served under this schedule may not exceed ten (10) horsepower.

TYPE OF SERVICE

Single-phase, 60 cycles, at available secondary voltage.

RATES

Customer Charge	\$8.75	\$9.36 per meter, per month
Energy Charge per kWh	\$0.07658	\$0.08189

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by and amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for line loss will not exceed 10% and is based on twelve-month moving average of such losses. This Fuel Clause is subject to all applicable provisions as set out in 807 KAR 5.056.

MINIMUM MONTHLY CHARGE

The minimum monthly charge under this tariff shall be the customer charge.

DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 7.5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

DATE OF ISSUE: March 24, 2009

DATE EFFECTIVE: April 1, 2009

ISSUED BY: _____ TITLE: Vice President & CFO

(Name of Officer)

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 8
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 8

CLASSIFICATION OF SERVICE

GS-3 (Residential and Farm Time-of-Day Rate)

APPLICABLE

Entire Territory Served

AVAILABILITY

Available to all consumers eligible for the Tariff GS-1, Residential and Farm. The capacity on individual motors served under this schedule may not exceed ten (10) horsepower.

TYPE OF SERVICE

Single-phase, 60 cycles, at available secondary voltage.

RATES:

Customer Charge	\$8.75	\$9.36 per meter, per month
<u>Energy Charge per kWh</u>		
On-peak energy	<u>\$0.09377</u>	\$0.10028
Off-peak energy	<u>\$0.05741</u>	\$0.06139

On-Peak Hours and Off-Peak Hours

<u>Months</u>	<u>On-Peak Hours</u>	<u>Off-Peak Hours</u>
<u>May through September</u>	<u>10:00 a.m. to 10:00 p.m.</u>	<u>10:00 p.m. to 10:00 a.m.</u>
<u>October through April</u>	<u>7:00 a.m. to 12:00 noon</u> <u>5:00 p.m. to 10:00 p.m.</u>	<u>10:00 p.m. to 7:00 a.m.</u> <u>12:00 noon to 5:00 p.m.</u>

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by and amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for line loss will not exceed 10% and is based on twelve-month moving average of such losses. This Fuel Clause is subject to all applicable provisions as set out in 807 KAR 5.056.

MINIMUM MONTHLY CHARGES

The minimum monthly charge under this tariff shall be the customer charge.

DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 7.5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

DATE OF ISSUE: March 24, 2009

DATE EFFECTIVE: April 1, 2009

ISSUED BY: _____
(Name of Officer)

TITLE: Vice President & CFO

**BLUE GRASS ENERGY
COOPERATIVE CORPORATION**

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 9
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 9, 36, 54, & 55

CLASSIFICATION OF SERVICE

SC-1 Commercial and Industrial (0-100 KW)

APPLICABLE

Entire territory served

AVAILABILITY

Available for single phase or three-phase commercial and industrial; and three-phase farm service up to 100 kW.

TYPE OF SERVICE

Single-phase and three-phase, 60 cycles, at available secondary voltages. Motors having a rated capacity in excess of 10 horsepower must be three-phase unless specially approved by the Cooperative. Consumer's equipment shall operate in such a way that it does not cause electrical disturbances to other consumers.

RATE

Demand Charge

First 10 KW of Billing Demand	No charge	
Over 10 KW of Billing Demand	\$7.00	\$7.49

Energy Charge

All KWH	\$0.07148	\$0.07644
---------	----------------------	-----------

Customer Charge	\$25.00	\$26.74
-----------------	--------------------	---------

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for line loss will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all applicable provisions as set out in 807 KAR 5.056.

DETERMINATION OF BILLING DEMAND

The billing demand shall be the maximum kilowatt demand established by the consumer for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor.

DATE OF ISSUE: March 24, 2009

DATE EFFECTIVE: April 1, 2009

ISSUED BY: _____
(Name of Officer)

TITLE: Vice President & CFO

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 11
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 11, 37, 46, & 56

CLASSIFICATION OF SERVICE

LP-1 Large Power (101 KW to 500 KW)

APPLICABLE

Entire territory served

AVAILABILITY

Available to all consumers whose contracted kilowatt demand shall exceed 100 kW for all usage subject to the established rules and regulations.

CONDITIONS

An "Agreement for Electric Service" shall be executed by the consumer for service under this schedule.

TYPE OF SERVICE

Single-phase and three-phase, 60 cycles, at available primary or secondary voltages. Motors having a rated capacity in excess of 10 horsepower must be three-phase unless specifically approved by the Cooperative. Consumer's equipment shall operate in such a way that it does not cause electrical disturbances to other consumers.

RATE

Maximum Demand Charge

~~\$7.50~~ \$8.02 per month per KW of billing demand

Energy Charge (101 KW to 500 kW)

Customer Charge	\$50.00	\$53.47
ALL KWH	\$0.04650	\$0.04973

DETERMINATION OF BILLING DEMAND

The Billing demand shall be the maximum kilowatt demand established by the consumer for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided below.

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of this maximum demand is less than the wholesale power factor, the demand for billing purposes shall be demand as indicated or recorded by the demand meter multiplied by the wholesale power factor and divided by the measured power factor.

DATE OF ISSUE: March 24, 2009

DATE EFFECTIVE: April 1, 2009

ISSUED BY: _____
(Name of Officer)

TITLE: Vice President & CFO

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 13
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 13, 48, & 58

CLASSIFICATION OF SERVICE

LP-2 Large Power (over 500)

APPLICABLE

Entire territory served

AVAILABILITY

Available to all commercial and industrial consumers whose contracted kilowatt demand shall exceed 500 kW for all usage subject to the established rules and regulations.

CONDITIONS

An "Agreement for Purchase of Power" shall be executed by the consumer for service under this schedule.

TYPE OF SERVICE

Three-phase, 60 cycles, at available primary or secondary voltages. Consumer's equipment shall operate in such a way that it does not cause electrical disturbances to other consumers.

RATE

Maximum Demand Charge

~~\$7.50~~ \$8.02 per month per kW of billing demand

Energy Charge (over 500 kW)

Customer Charge	<u>\$100.00</u>	\$106.94
ALL KWH	<u>\$0.04098</u>	\$0.04382

Special facilities charge as specified in the contract

DETERMINATION OF BILLING DEMAND

The billing demand shall be the maximum kilowatt demand established by the consumer for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided below.

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practical. Power Factor may be measured at any time. Should such measurements indicate that the power factor at the time of the maximum demand is less than the wholesale power factor, the demand for billing purposes shall be demand as indicated or recorded by the demand meter multiplied by the wholesale power factor and divided by the measured power factor.

DATE OF ISSUE: March 24, 2009

DATE EFFECTIVE: April 1, 2009

ISSUED BY: _____
(Name of Officer)

TITLE: Vice President & CFO

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 15
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 15, 16, & 64

CLASSIFICATION OF SERVICE

OUTDOOR LIGHTS

APPLICABLE

Entire territory served

AVAILABILITY

Available to all consumers of the Cooperative subject to its established rules and regulations.

RATE PER LIGHT PER MONTH

<u>175 Watt Mercury Vapor*</u>	<u>\$ 9.51</u>	\$10.17
<u>400 Watt Mercury Vapor*</u>	<u>\$15.39</u>	\$16.46
<u>400 Watt Metal Halide Directional Flood</u>	<u>\$14.50</u>	\$15.51
<u>400 Watt High Pressure Sodium Directional Flood*</u>	<u>\$15.25</u>	\$16.31
<u>100 Watt High Pressure Sodium – Shoebox Fixture (Metal Pole)</u>	<u>\$16.81</u>	\$17.98
<u>100 Watt High Pressure Sodium – Acorn Fixture (Fiberglas Pole)</u>	<u>\$16.28</u>	\$17.41
<u>100 Watt High Pressure Sodium – Colonial Fixture</u>	<u>\$13.75</u>	\$14.70
<u>400 Watt High Pressure Sodium Cobra Head (Aluminum Pole)</u>	<u>\$20.40</u>	\$21.82
<u>70 Watt High Pressure Sodium (Ornamental)*</u>	<u>\$ 9.00</u>	\$ 9.62
<u>100 Watt High Pressure Sodium (Ornamental)*</u>	<u>\$10.00</u>	\$10.69
<u>250 Watt High Pressure Sodium (Ornamental)*</u>	<u>\$13.25</u>	\$14.17
<u>70 Watt High Pressure (Colonial) (15-foot mounting height)*</u>	<u>\$ 8.35</u>	\$ 8.93
<u>200 Watt High Pressure Sodium Cobra Head (Aluminum Pole)</u>	<u>\$13.50</u>	\$14.44
<u>100 Watt High Pressure Sodium Cobra Head (Aluminum Pole)</u>	<u>\$10.00</u>	\$10.69
<u>100 Watt High Pressure Sodium Open Bottom</u>	<u>\$ 9.53</u>	\$10.19
<u>250 Watt High Pressure Sodium Open Bottom</u>	<u>\$14.28</u>	\$15.27

*Not available for new installation

ADDITIONAL ORNAMENTAL SERVICE

The Cooperative may, upon request, furnish ornamental poles/fixtures not listed in our current rates of the Cooperative's choosing, together with overhead wiring and all other equipment as needed. The Member will pay this additional cost prior to installation.

DATE OF ISSUE: March 24, 2009

DATE EFFECTIVE: April 1, 2009

ISSUED BY: _____

(Name of Officer)

TITLE: Vice President & CFO

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 23
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 23 & 50

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule B-1

AVAILABILITY

Applicable to contracts with demands of 1,000 KW to 3,999 KW with a monthly energy usage equal to or greater than 425 hours per kW of billing demand.

MONTHLY RATE

Consumer Charge	\$1000.00	\$1069.40
Demand Charge per kW of Contract Demand	\$ 6.22	\$ 6.65
Demand Charge per kW for Billing Demand in Excess of Contract Demand	\$ 8.65	\$ 9.25
Energy Charge per kWh	\$0 .04148	\$0.04436

BILLING DEMAND

The monthly billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand, during the current month, exceeds the contract demand. The load center's peak demand is highest average rate at which energy is used during any fifteen-minute interval, in the below listed hours for each month, and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall not be less than the sum of (a) through (d) below:

- Customer Charge
- The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand, multiplied by the in excess of contract demand charge.
- The product of the contract demand multiplied by 425 hours and the energy charge per KWH.
- Contract provisions that reflect special facilities requirements.

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of the maximum demand is less than the minimum required wholesale power factor, the demand for billing purposes shall be demand as indicated or recorded, multiplied by the minimum required wholesale power factor and divided by the measured power factor.

DATE OF ISSUE: March 24, 2009

DATE EFFECTIVE: April 1, 2009

ISSUED BY: _____
(Name of Officer)

TITLE: Vice President & CFO

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 25
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 25 & 62

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule B-2

AVAILABILITY

Applicable to contracts with demands of 4,000 KW and greater with a monthly energy usage equal to or greater than 425 hours per KW of contract demand.

TYPE OF SERVICE

Three-phase, 60 cycles, at available primary voltages. Consumer's equipment shall operate in such a way that it does not cause electrical disturbances to other consumers.

MONTHLY RATE

Customer Charge	\$2,000.00	\$2,138.80
Demand Charge per kW of Contract Demand	\$6.22	\$6.65
Demand Charge per kW for Billing Demand in Excess of Contract Demand	\$8.65	\$9.25
Energy Charge per kWh	\$0.03703	\$0.03960

BILLING DEMAND

The monthly billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand, during the current month, exceeds the contract demand. The load center's peak demand is highest average rate at which energy is used during any fifteen-minute interval, in the below listed hours for each month, and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall not be less than the sum of (a) through (d) below:

- Customer Charge
- The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand, multiplied by the in excess of contract demand charge.
- The product of the contract demand multiplied by 425 hours and the energy charge per kWh.
- Contract provisions that reflect special facilities requirements.

DATE OF ISSUE: March 24, 2009

DATE EFFECTIVE: April 1, 2009

ISSUED BY: _____
(Name of Officer)

TITLE: Vice President & CFO

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 33
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 33

CLASSIFICATION OF SERVICE

Interruptible Service

STANDARD RIDER

This Interruptible Rate is a rider to the Schedule LP-1 Large Power Rate, LP-2 Large Power Rate, B-1 Large Industrial Rate and B-2 Large Industrial Rate.

APPLICABLE

In all territory served by the Cooperative.

AVAILABILITY OF SERVICE

This schedule shall be made available at any load center, to any member who will contract for an interruptible demand of not less than 250 KW and not more than 20,000 KW, subject to a maximum number of hours of interruption per year and a notice period as listed below.

MONTHLY RATES

A monthly demand credit per KW is to be based on the following matrix:

Notice Minutes	Annual Hours of Interruption					
	200		300		400	
10	\$2.70	\$4.20	\$3.15	\$4.90	\$3.60	\$5.60
60	\$2.25	\$3.50	\$2.70	\$4.20	\$3.15	\$4.90

DETERMINATION OF MEASURED LOAD - BILLING DEMAND

The monthly billing demand shall be the highest average rate at which energy is used during any fifteen consecutive minute periods during the below listed hours:

Months	Hours Applicable for Demand Billing - EST
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

The interruptible billing demand shall be equal to the amount by which the monthly billing demand exceeds the minimum billing demand as specified in the contract.

DATE OF ISSUE: March 24, 2009

DATE EFFECTIVE: April 1, 2009

ISSUED BY: _____
(Name of Officer)

TITLE: Vice President & CFO